

**STATE OF MINNESOTA
PUBLIC EMPLOYMENT LABOR RELATIONS ACT
INTEREST ARBITRATION**

COUNTY OF HUBBARD,

EMPLOYER,

TEAMSTERS PUBLIC & LAW
ENFORCEMENT EMPLOYEES'
UNION, LOCAL 320,

INTEREST ARBITRATION
BMS Case No. 06-PN-0456
ARBITRATOR'S AWARD

UNION.

ARBITRATOR:

Rolland C. Toenges

DATE & LOCATION OF HEARING:

August 23, 2006
Park Rapids, Minnesota

RECEIPT OF POST HEARING BRIEFS:

September 8, 2006

DATE OF AWARD:

October 8, 2006

ADVOCATES

FOR THE EMPLOYER:

Mike Rengel, Attorney

FOR THE UNION:

Paula R. Johnston, General Counsel

WITNESSES

Jack Paul, County Coordinator

Joanne Derby, Business Agent

ALSO PRESENT

Swede Nelson, County Commissioner

Vicki Manners, Union Steward
Joseph Henry, Committee Member

JURISDICTION

The instant matter came on for hearing pursuant to a determination by the Commissioner, Bureau of Mediation Services, that the Parties had reached an impasse in their attempt to negotiate a collective bargaining agreement (CBA) setting forth terms and conditions of employment.

The Parties selected Rolland C. Toenges to arbitrate the disputed issues from a list of arbitrators provided by the Minnesota Bureau of Mediation Services.

The instant matter is being conducted in accordance with provisions of the Minnesota Public Employment Labor Relations Act, 179A.01 – 179A.30 (PELRA). Under PELRA, the employees at issue are defined as “essential employees” (Jailer/Dispatcher). Therefore the decision of the Arbitrator on issues certified at impasse is final and binding on all parties.

The hearing was concluded upon the Arbitrator’s receipt of post hearing briefs. The Parties were afforded full opportunity to present evidence and argument bearing on the issues in dispute.

BACKGROUND

The employees at issue are employed by Hubbard County as Jailer/Dispatchers. The County moved into a new jail facility in May of 2006. Employees formerly titled Jailer were merged into the new class titled “Jailer/Dispatcher.” Previously there were four (4) Jailers and four (4) Dispatchers. Now there are sixteen (16) Jailer/Dispatchers.

The Exclusive Representative of the employees at issue is Minnesota Teamsters Public and Law Enforcement Employees Union, Local No. 320.

The Bureau of Mediation Services certified 16 disputed items to be resolved via the instant arbitration proceeding.

ISSUES IN DISPUTE

1. DURATION – Length of CBA – Article XX, Section 20.1.
2. WAGES & ADDITIONAL PROVISIONS – 2006 – Article V.
3. WAGES & ADDITIONAL PROVISIONS – 2007 – Article V.
4. WAGES & ADDITIONAL PROVISIONS – 2008 – Article V.
5. WAGE SCHEDULE “A” - LONGEVITY SCHEDULE.
6. INSURANCE – Effective 1/1/2006 – Article XIV, Section 14.1.
7. INSURANCE – Effective 1/1/2007 – Article XIV, Section 14.1
8. INSURANCE – Effective 1/1/2008 – Article XIV, Section 14.1
9. OVERTIME & PREMIUM PAY – Article VII, Section 7.1,B.

10. OVERTIME & PREMIUM PAY – Article VII, Section 7.1,C.
11. OVERTIME & PREMIUM PAY – Article VII, Section 7.2.
12. SEVERANCE PAY – ARTICLE XV, Section 15.1,B
13. EQUIPMENT & MAINTENANCE ALLOWANCE - Effective 1/1/2006 – Article XVIII, Section 18.1.
14. EQUIPMENT & MAINTENANCE ALLOWANCE – Effective 1/1/2007 – Article XVIII, Section 18.1.
15. EQUIPMENT & MAINTENANCE ALLOWANCE – Effective 1/1/2008 – Article XVIII, Section 18.1.
16. PERSONAL LEAVE DAY – New Article.

POSITIONS OF THE PARTIES

ISSUE 1: CONTRACT DURATION

EMPLOYER: three (3) years, 1/1/2006 through 12/31/3008

UNION: two (2) years, 1/1/2006 through 12/31/2007

ISSUES 2, 3 & 4: WAGES & ADDITIONAL PROVISIONS

EMPLOYER: Effective 1/1/2006 = 2.25 percent.

Effective 1/1/2007 = 3.00 percent if its health insurance position is adopted or 2.25 percent if it is not.

Effective 1/1/2008 = 3.00 percent if its health insurance Position is adopted, or 2.25 percent if it is not.

UNION: Effective 1/1/2006 = \$,80 per hour plus four (4) percent.

Effective 1/1/2007= \$.50 per hour plus four (4) percent.

Effective 1/1/2008 = five (4) percent (if 3rd year awarded).

ISSUE 5, LONGEVITY SCHEDULE “A”

EMPLOYER: No change in existing CBA language (Longevity Schedule “A”).

UNION; Change Longevity Schedule “A” to read as follows:

Employees shall follow the schedule below:

LONGEVITY

10 years	1%
15 years	3%
20 years	4%
25 years	5%

ISSUES 6, 7 & 8: INSURANCE

EMPLOYER: 2006 - no change to its existing 2006 contribution.

2007 – Monthly Contribution of \$557.40 for single coverage.
 Monthly contribution of \$714.50 for single plus children coverage.
 Monthly contribution of \$987.50 for family coverage.

The above amounts *include* \$2.00 per month toward life insurance.

For 2007 & 2008, the Employer will increase its contribution noted above based upon the increase in the various 500 CMM Plan premiums, up to and including fifteen percent (15%). This would be for the single; single plus children and family 500 CMM. All amounts to be rounded to the nearest half-dollar (1/2).

Coverage becomes effective the first month following 30 days of employment.

2008 - If awarded, Employer contribution to be as noted above.

UNION: 2006 – Section 14.1 to remain as per the CBA on the Triple Gold Plan.

14.1. The Employer will pay the cost of the single managed care policy, and will pay fifty percent (50%) of the dependent portion of the family managed care policy. Coverage becomes effective the first day of the month following thirty (30) days of employment.

2007 – Section 14.1 to remain as per the CBA on the Triple Gold Plan.

2008 – Section 14.1 to remain as per the CBA on the Triple Gold Plan (if awarded).

ISSUE 9, MAXIMUM COMPENSATORY TIME ACCRUAL

EMPLOYER: No change in existing CBA language (Section 7.1,B).

UNION: Change Section 7.1,B to read as follows:

Employees shall be allowed to accumulate no more than one hundred twenty (120) hours of compensatory overtime. He/she shall be paid in cash for all hours over the one hundred twenty (120) hour maximum.

ISSUE 10, MAXIMUM COMPENSATORY TIME PAYOUT & CARRY OVER

EMPLOYER: No change in existing CBA language (Section 7.1,B).

UNION: Change Section 7.1,C to read as follows:

Any hours accumulated over twenty (20) hours may be paid in cash on December 1st at the employee's option upon written notification by November 15th. Any unused compensatory time on December 31st shall carry over to the following year. Subject to the one hundred twenty (120) hour maximum noted in 7.1,B, above.

ISSUE 11, DISTRIBUTION OF OVERTIME

EMPLOYER: No change in existing CBA language (Section 7.2)

UNION: Change Section 7.2 to read as follows:

Overtime will be distributed as equally as practicable. Full-time employees covered by this Agreement shall have first choice for all overtime. Overtime refused by an employee will, for record purposes, be considered as unpaid overtime worked. For the purpose of computing overtime compensation, overtime hours worked shall not be pyramided, compounded or paid twice for the same hours worked. Overtime shall be calculated to the nearest fifteen (15) minutes. Overtime shall be worked only with the expressed authorization of the Employer.

ISSUE 12, SEVERANCE PAY

EMPLOYER: No change in existing CBA language (Section 15.1,B).

UNION: Delete existing CBA language (Section 15.1,B).

ISSUE 13, 14 & 15, EQUIPMENT & MAINTENANCE ALLOWANCE

EMPLOYER: No change in existing CBA language (Section 18.1).

UNION: Change Section 18.1 to read as follows:

Effective 1/1/2006, the Employer shall provide an annual Uniform allowance of one hundred fifty dollars (\$150) to all full-time non-licensed employees and part-time employees to be prorated.

Effective 1/1/2008, the Employer shall provide an annual Uniform allowance of two hundred fifty dollars (\$250) to all full-time non-licensed employees and all part time employees to be prorated (if awarded).

ISSUE 16, PERSONAL LEAVE DAY

EMPLOYER: No Personal Leave provision to be added to CBA.

UNION: Add new CBA Article to read as follows:

PERSONAL LEAVE DAY: Regular employees only shall be eligible for one (1) day personal leave per calendar year.

EXHIBITS

JOINT EXHIBITS:

- J-1. BMS, Referral of Arbitration List, April 6, 2006.
- J-2. Union's final position on issues in dispute.
- J-3. Employer's final position on issues in dispute.
- J-4. Collective Bargaining Agreement, effective 1/1/2003 through 12/31/2005.

UNION EXHIBITS:

- U-1. Final positions on Issue #1, CBA Duration.
- U-2. Final positions on Issue #2, Wages effective 1/1/2006.
- Appendix "A" from 1/1/2003 – 12/31/2005 CBA.

- Survey – Jailer/Dispatcher in “Contiguous” counties.
 - Survey – Jailer/Dispatcher in “Comparable Group” counties.
- U-3. Final positions on Issue #3, Wages effective 1/1/2007.
- Appendix “A” from 1/1/2003 – 12/31/2005 CBA.
 - Survey – Jailer/Dispatcher in “Contiguous” counties.
 - Survey – Jailer/Dispatcher in “Comparable Group” counties.
 - Survey – Investigators in “All Comparable” counties.
- U-4. Final positions on Issue #4, Wages effective 1/1/2008.
- Appendix “A” from 1/1/2003 – 12/31/2005 CBA.
 - Survey – Jailer/Dispatcher in “Comparable Group” counties.
 -
- U-5. Final positions, Longevity Schedule “A.”
- U-6. Final positions on Issue #4, Insurance effective 1/1/2006.
- Description – Triple Gold With Co-Pay – Plan 1.
 - Description – Comprehensive Major Medical – Plan 2.
 - Description – Comprehensive Major Medical – Plan 3.
 - Minnesota Statutes 2005, 471.6161. (Group Insurance: governmental units).
 - Arbitration Award, BMS Case No. 04-PA-491, City of Staples & Teamsters 320.
- U-7. Final positions on Issue #6. Insurance effective 1/1/2007.
- U-8. Final positions on Issue #7, Insurance effective 1/1/2008.
- U-9. Final positions on Issue #8, Overtime and Premium Pay - Compensatory Time Accrual.
- Survey - maximum compensatory time accrual in “all comparable counties.”
- U-10. Final positions on Issue #9, Overtime & Premium Pay – Payment of Compensatory Time – Payout & Carry Over.
- U-11. Final positions, Overtime & Premium Pay – Distribution of Overtime Work.
- U-12. Final positions, Severance Pay.
- Survey - Severance Eligibility – “All Comparable Counties.”
 - CBA – Hubbard County Social Services Unit, effective 1/1/2006 through 12/31/2008, “Section 16, Severance Pay.”
- U-13. Final positions, Equipment & Maintenance Allowance – Amount of Allowance

–2006.

- CBA – Hubbard County, Sheriff’s Unit, effective 1/1/1998 through 12/31/2000, “Article 18, Uniform Allowance.
- Equipment Supplier Catalog excerpts, Pages 68, 58 & 48.
- Survey - Deputies Uniform /Maintenance Allowance – “All Comparable Counties.”

U-14. Final positions, Equipment & Maintenance Allowance – Amount of Allowance - 2007.

U-15. Final Positions, Equipment & Maintenance Allowance – Amount of Allowance - 2008.

U-16. Final positions, New CBA Article - Personal Leave Day.

EMPLOYER EXHIBITS:

E-1. Jailer/Dispatcher Comparative Data Survey – Adjacent Counties.

E-2. Health Insurance Comparisons Survey, August 23, 2006.

E-3. Hubbard County Cafeteria Plan & Benefits – 2006.

E-4. Hubbard County Uniform issues – Jailer/Dispatcher List.

E-5. County Wage Settlement Survey, May 30, 2006.

E-6. Jailer/Dispatcher Comparative Data Survey – Like Size Counties, August 23, 2006.

E-7. Estimated Compensation Cost of County Position.

E-8. Proposed Health Insurance Contribution Language 2006, 2007 & 2008.

E-9. Jailers and Dispatchers Compensation.

DISCUSSION – ISSUE #1

The disputed issue is whether the CBA duration should be for two (2) years or three (3). The Union favors a two-year duration while the Employer favors a three-year duration.

The record shows that all Hubbard County CBA’s entered into evidence have been of a three-year duration. The Social Service Unit CBA (U-11) is a three-year agreement covering the duration favored by the Employer (1/1/2006 through 12/31/2008). The

CBA covering the Sheriff's Deputies and Jailer/Dispatchers (U-12) was for a three-year term (1/1/1998 through 12/31/2000). Also, the previous CBA covering the Hubbard County Sheriff's Department (J-4) was for a three-year duration (1/1/2003 through 12/31/2005).

Hubbard County Coordinator, Jack Paul, testified that the County has a history of three-year agreements. Paul testified that three-year agreements provide for better budgeting and have provided stability in labor-management relations.

AWARD – ISSUE #1

The CBA shall be of a three-year duration (1/1/2006 through 12/31/2008).

The CBA's entered into evidence all support a finding that the Parties have a history of favoring CBA's of a three-year duration. The Arbitrator does not find sufficient evidence to support a change in the historic practice of the Parties.

DISCUSSION – ISSUES 2, 3 & 4

The Union argues that Hubbard County's salary rates for Jailer/Dispatcher need to be moved up. The Union argues the new jail involves a substantial increase in beds and the workload has doubled and tripled for employees. The Union states that Hubbard County has the largest sized jail in the region next to Beltrami County.

The Union points out that all Jailers are also Dispatchers. The County has gone from two job classes to one and inmates are no longer in cells, increasing the danger to employees.

The Union states that its wage increase position will continue the upward pattern established in the previous CBA and will put the Jailer/Dispatchers at the average of the contiguous counties. The Union describes its position as very reasonable, for it will put the Jailer/Dispatchers maximum at \$18.50 compared to the survey maximum average of \$18.80.

The Union points to its comparison of five contiguous counties showing a 2006 average hourly maximum of \$18.42 for Jailer/Dispatcher, with two counties paying a higher rate and three paying a lower rate. The Union's argues that this supports its position of a \$.80 per hour plus a 4% increase, as it would bring the 2006 Hubbard County Jailer/Dispatcher maximum rate up to \$18.50. The Union's position would place the Hubbard Deputy rate slightly above the Union's survey average at maximum and about three (3) percent above the survey average minimum rate.

The Union also points to its survey of a "comparable group," consisting of eleven counties, that shows them paying a 2006 average maximum rate to Jailer/Dispatcher of \$18.80 per hour. Two of these counties pay a higher rate and eight pay an equal or lower

rate. The Union's position would place the Hubbard Deputy rate about one and one half (1 1/2) percent below the Union's survey average at maximum and about four (4) percent higher at the minimum.

The Union's position for 2007 would raise the aforementioned Jailer/Dispatcher rates by an additional \$.50 per hour plus four (4) percent to \$19.76. The Union survey of five "Contiguous Counties" shows an average 2007 maximum rate paid by them at \$19.32. Two counties report rates below the average and two above with no rate reported by one county. The Union's position would place the Hubbard Jailer/Dispatcher rate about two (2) percent above the survey average at maximum and five (5) percent above at minimum.

The Union also introduced a survey of eleven "Comparable Group" counties showing a 2007 Jailer/Dispatcher maximum average salary of \$19.29. Six of the eleven counties have settlements reported for 2007. Five of the counties show rates below the average with only Aitkin County having a higher rate. The Union's position would put Hubbard's Jailer/Dispatcher rate about two (2) percent above its survey average at the maximum and about ten (10) percent at the minimum.

Of the Union's survey of eleven "Comparable Group" counties, only one reports a rate for 2008. The rate reported is below the Unions proposed 2008 Jailer/Dispatcher of \$20.75 by about six (6) percent.

The Employer introduced a survey¹ consisting of eleven counties that it describes as "Adjacent Counties." This survey, of 2006 wage rates reported by these counties, also includes their health insurance contributions and longevity pay. The Employer argues that this survey shows Hubbard County pays 104% of the average when the wage rate, health insurance contributions and longevity pay are all considered.²

It is noted that the Union's five "Contiguous Counties" and five of the Employer's "Adjacent Counties" are the same, except the Employer's "Adjacent Counties" survey includes five counties not included in the Union's surveys. These five counties, not included in the Union's "Contiguous Counties," survey, are not immediately adjacent to Hubbard County but are second tier counties (counties adjacent to the five counties that are immediately adjacent).

The Union's "Comparable Group" survey, consisting of eleven counties, includes only one in the Employer's "Adjacent Counties" survey (Koochiching). The ten other counties in the Union's "Comparable Group" appear selected based on population, as they are, for the most part, remote from Hubbard County being located in the south, southeast and southwest areas of the state. The population of the eleven counties in the

¹ Employer Exhibit #1

² Employer Exhibit #1, assumes a 3% increase in the wage rate and contributions under the Employer's proposed new health plan.

Union's "Comparable Group" ranges from about 15,000 to 20,000 (based on 2003 data). Hubbard County's population, as reported by the Employer is 17,177.³

The Employer introduced a "County Wage Settlement Survey" conducted by "The Minnesota County Administrators, Association," dated May 30, 2006.⁴ This survey includes 2006 collective bargaining settlements reported by Minnesota Counties. This survey shows that, among the 24 counties reporting, the 2006 Sheriff's settlements average a wage increase of 2.5489 percent.

The Employer also introduced a survey of ten (10) "Like Size Counties," that included the same counties in the Union's "Comparable Group" survey with three exceptions. The Employer's survey included Kanabec County, which the Union's survey did not. The Union's survey included Aitkin and Nobles, which the Employer's survey did not.

The Employer argues that Aitkin County is not an appropriate comparison because they rolled their longevity pay into the base wage rate. The Employer argues that this has the effect of inflating their wage rate, making it appear more competitive. The Employer argues that, with Aitkin County's rate excluded, Hubbard's maximum Jailer/Dispatcher rate is higher than the average when its insurance contributions are included in the comparison.

The Employer's "Like Size Counties" survey shows the Employers Maximum Jailer/Dispatcher wage rate to be 97% of the 2006 average of the ten counties surveyed (based on the Employers position of a 3% increase). The survey shows that when the Employer health contributions are considered, the Employer's compensation is 105 % of the average. The survey shows the Employers insurance contribution to be 141% of the average and second highest among the ten counties surveyed. The Employer's "Like Size Counties" survey shows the number of full time Sheriff's employed in the ten counties averages 130, with a range of 83 to 155. Hubbard County employs 157 (full time equivalent) employees.

The Employer position is to tie the wage adjustment and insurance contribution increase together. The Employer position is for a 2.25 percent wage increase in 2006, as the Union has benefited in 2006 from the old health insurance contribution formula. All other Hubbard County employees received a three (3%) increase in 2006 but accepted the new health plan.

The Employer has settled with all other Hubbard County Bargaining Units for a three (3) percent wage increase in 2006, 2007 and 2008. These settlements included the Employer's position to adopt the "new" health plan. This same compensation package was approved for the non-organized employees.

³ Employer Exhibit #6.

⁴ Employer Exhibit #5.

Arbitrators commonly look at several factors when considering wage adjustments that differ from the settlement pattern established between the Employer and its other bargaining units and non-organized employees. These are as follows:

1. The Employer's ability to recruit and retain employees,
2. Equitable compensation relationships between job classes.
3. Equitable compensation relationships between different levels of job classes and supervisory employees.

Based on the above factors of consideration, there is nothing in the hearing record to support an adjustment beyond the three (3) percent settlement pattern. There is no evidence that the wage rate paid by the Employer is a barrier to recruitment and retention of Jailer/Dispatchers, or that an inequitable relationship exists between job classes that warrants an adjustment greater than the three (3) percent settlement pattern.

. Employer Witness, Jack Paul, testified that the normal policy of Hubbard County is to adjust beyond the standard settlement pattern only when a wage rate is more than 10% off its appropriate market comparison.

A three percent increase in the maximum Jailer/Dispatcher wage rate would place it at \$17.50 per hour, about 96% of the 2006 market based on the Employer's survey of "Adjacent Counties" and about 95% based on the Union's 2006 "Contiguous Counties" survey.

A three percent increase in the maximum Jailer/Dispatcher wage rate would place it at \$17.50 per hour, about 97% of the market based on the Employer's survey of "Like Size Counties" and about 93% of the market based on the Union's survey of "Comparable Group" counties.⁵

The Employer's position is for a 2.25% increase for 2006 due to the Union's not having participated in the new health plan. The Arbitrator finds the Employer's cost estimate of continuing the old health plan to appear overstated. The Arbitrator's analysis of this matter is found in the discussion under Issues #6, 7 & 8.

The Arbitrator finds the Union's position for an increase of \$1.00 plus four (4) percent to be excessive based on the Parties market comparison data. The Arbitrator finds the Hubbard County three-percent general settlement pattern to be appropriate. Although the Union's survey data indicates Hubbard's wage rate lags the market, the Employer's survey data indicates its compensation is competitive when fringe benefits, such as health insurance and longevity pay taken into consideration.

⁵ If the rate reported by Aitkin County were not included in the Union's survey (the Employer objects to including this rate because longevity pay has been rolled into it), the \$17.50 rate would be about 96% of the survey average of \$18.30.

AWARD, ISSUES 2,3 & 4

Wage rates shall be increased by three (3) percent effective 1/1/2006.

Wage rates shall be increased by three (3) percent effective 1/1/2007.

Wage rates shall be increased by three (3) percent effective 1/1/2008.

DISCUSSION, ISSUE #5 – LONGEVITY SCHEDULE

The Union position is for a new longevity schedule that would combine a two tier schedule in the existing CBA and increase the longevity pay benefit by one (1) percent at each step but eliminate the 30 and 35 year steps. The Union argues that this change is more compatible with the career span of Jailer/Dispatchers, which is nearly always shorter than other employees such as Social Service employees.

County Coordinator, Jack Paul, testified that the change proposed by the Union would increase the County's costs and complicate administration of longevity pay. Paul testified that all Hubbard County employees are currently on the same longevity plan.

The Employer argues that the Union's position would have significant financial implications, as a large number of Sheriff Department employees would be entitled to higher longevity pay immediately. The Employer further argues that the existing Hubbard County longevity benefit is very generous and pays more than twice as much at fifteen (15) years than the average of the comparative and adjacent counties.⁶ The Employer further argues that the survey shows more than one half (1/2) of the counties do not even provide longevity pay.

The Arbitrator finds that the survey data shows Hubbard County's longevity benefit is more than competitive when compared to other adjacent counties.⁷ Further, it is a uniform benefit applied to all Hubbard County employees. For the reasons noted earlier in this Award, the Arbitrator is reluctant to disturb a countywide benefit that has historically and uniformly applied to all employees.

AWARD, ISSUE #5

There shall be no change in the existing longevity provision of the CBA.

DISCUSSION, ISSUE #6, 7 & 8 - INSURANCE

⁶ Employer Exhibit #1.

⁷ Employer Exhibit #1.

At issue is the health plan option referred to as “Triple Gold Plan.” The Employer wants to discontinue this plan in favor of a new plan that has been negotiated with all other bargaining units and applied to non-organized employees.⁸ A Health Insurance Committee made up of Union representatives from all bargaining units, non-organized employees, commissioners and managers recommended changing to the new health plan. The Hubbard County Board of Commissioners subsequently approved the recommendation.

The old health plan has been continued for the Jailer/Dispatcher Unit during 2006 as the parties impasse on this and other issues in their attempt reach a CBA settlement. However, the Employer’s position is that the Jailer/Dispatcher Unit be under the new health plan for 2007 and 2008. It was the committee’s recommendation and it is the Employer’s position that the “Triple Gold Plan” not be offered for 2007 and 2008.

The Employer argues that the “Triple Gold Plan” is likely to be discontinued anyway by the insurer due to low employee participation. Of some 150⁹ Hubbard County employees, only 11 are now in the “Triple Gold Plan.” This is down from 14 at the beginning of 2006. The minimum employee participation required to continue the “Triple Gold Plan” is ten (10) to twelve (12) employees.¹⁰

County Coordinator, Jack Paul, testified that the reason the Employer and Health Insurance Committee want the “Triple Gold Plan” discontinued is that the “Northwest Service Co-op” (consisting of eight counties and thirteen cities) told him to offer the “H.S.A.” plan as the “Triple Gold Plan” will not be offered in the future because of low employee participation.

The record shows that no employees in the Jailer/Dispatcher Unit are in the “Triple Gold Plan.” The record shows that two employees in the Deputy Unit are in the “Triple Gold Plan.”¹¹

The new plan establishes an additional tier referred to as “Single + Children.” Under the new plan, employees may choose from 1). Single Coverage, 2). Single + Children, or 3). Family Coverage. Under the “Triple Gold Plan,” employees may choose either 1). Single Coverage, or 2). Family Coverage. The “Single + Children” tier in the new plan provides a lower cost choice for single parents who otherwise would have to choose the higher cost “Family” option.

During 2006, employees (other than Deputies and Jailer/Dispatchers) may continue to choose the “Triple Gold” option but must pay \$24.00 per month for Single coverage¹²

⁸ Four bargaining units have agreed to the new plan. The two Units involved in the instant arbitration proceeding (Deputies and Jailer/Dispatcher) have not.

⁹ Number of employees is 220 if Heritage Living Center employees are included.

¹⁰ Testimony of County Coordinator, Jack Paul.

¹¹ Testimony of County Coordinator, Jack Paul.

and an additional \$11.50 for family coverage.¹³ Under the 2005 plan (continued in 2006 for Deputies) the Employer pays the full cost of Single coverage. Employees with Family coverage pay \$417.50 per month (\$11.50 less that required under Plan “A”),

Under either the new or old plan, employees can choose from three options with a lower premium and higher deductible. The difference between the County contribution and lower premium can be used by the employee to purchase other insurance benefits or the employee can elect to receive the difference as regular income.¹⁴

The Employer’s position is that, if the Arbitrator awards the Union’s position on the health insurance issue, the 2006 salary increase should be 2.25 percent rather than the three (3) percent received by all other employees. The Employer argues that the increased cost to the Employer for continuing the 2005 health coverage benefits during 2006 for Deputies and Jailer/Dispatchers, is equal to about three quarter (3/4) of one percent of the wage rate.

The Employer’s calculation of three quarter (3/4) of one percent would appear overly stated. The Employer’s testimony was that no employees in the Jailer/Dispatcher are in the “Triple Gold Plan” and only two (2) employees in the Deputy Unit are this plan. According to Employer Exhibit #3, the difference between the old and new plan for “Triple Gold Plan” coverage is \$24.00 for single coverage and \$11.50 for family.

In Employer Exhibit #1, the average Jailer/Dispatcher wage rate used for comparison is \$36,420 annually or \$3,035 per month (\$36,420 divided by 12). Assuming the Jailer/Dispatchers were *all* in the “Triple Gold Plan” with single coverage, the increased cost of \$24.00 per month would be about three quarters of one percent (.0079).¹⁵ With only two Deputies in the “Triple Gold Plan,” (quite likely with the Family option) the Employer’s cost increase under the new plan would appear substantially less than its estimate of three quarters (3/4) of one percent.

The Union emphasizes that the health insurance issue is one of its greatest concerns. The union argues that the Arbitrator is without authority to award on this issue and cites Minnesota Statutes 471.6161, Subd. 5¹⁶ and Arbitration Award, BMS Case No. 04-PA-491,¹⁷ in support of its argument.

¹² The \$24.00 employee contribution required under the new plan represents about a four (4) percent of the total premium cost.

¹³ The \$11.50 increase in employee contribution represents about a three (3) percent increase.

¹⁴ For example, if an employee chooses the “H.S.A. single coverage option, the difference between the Employer monthly contribution (\$581.50) and the premium (\$379.00) provides the employee with a monthly sum of \$202.50 that can be used to purchase other insurance benefits or that the employee can elect to receive as regular income (Schedule B option limits receipt of regular income to one-half).

¹⁵ The Arbitrator recognizes that the \$36,420 figure used for comparison is the maximum rate and the actual average rate would be somewhat less, which could cause the .0079 percent calculation to be somewhat larger.

¹⁶ “Minnesota Statute 2005, 471.6161, Subd. 5 Collective Bargaining. The aggregate value of benefits provided by a group insurance contract for employees covered by a collective agreement

The Employer argues that it is important to have all employees on the same health insurance plan and, from an aggregate value, the new plan is equivalent to the old. The Employer argues that, even though the new plan costs Hubbard County more, it is important to have all employees on the same plan.

The Employer objected to the Union's assertion that the Arbitrator does not have authority to award on the health insurance issue. The Employer argued that to prohibit the Arbitrator from awarding on the insurance issue would leave no means to resolve the matter.

The issue in the Arbitration case cited by the Union, and in other similar cases the Arbitrator has reviewed in researching this matter,¹⁸ is not the same as in the instant case. In the cited case, the Employer unilaterally changed the health insurance plan during the term a CBA was in force without negotiating an agreement supporting the change with the union.

In the instant case, the Parties have negotiated to impasse on health insurance changes and other issues. These issues are now, under authority of statute,¹⁹ before this arbitration proceeding for resolution. The Arbitrator has jurisdiction over the items in dispute which were certified to and submitted by the Commissioner, Bureau of Mediation Services, provided the items in dispute are a term and condition of employment.²⁰ Health insurance is among fringe benefits defined by statute as a term and condition of employment.²¹ The Arbitrator's decision must resolve the issues in dispute between the Parties as submitted by the Commissioner, Bureau of Mediation Services.²²

In the instant case, the Employer did not unilaterally change the health insurance plan but has continued the previous (old) plan in effect pending resolution via the instant

shall not be reduced, unless the public employer and exclusive representative of the employees of an appropriate bargaining unit, certified under Section 179A.12, agree to a reduction in benefits."

¹⁷ Grievance Arbitration Award, BMS Case No. 04-PA-491, June 8, 2004. City of Staples and Minnesota Teamsters Public and Law Enforcement Employees Union, Local 320. City made unilateral change in health insurance program negotiated in CBA absent negotiating change with Union. Union grieved and matter was arbitrated by Richard John Miller, who found the City's unilateral change of the bargained \$200 CMM deductible health insurance plan is a violation of the CBA. The Parties were directed meet and bargain a resolution to the health insurance issue.

¹⁸ West St. Paul Federation of Teachers v. Independent School District No. 197, 2005 WL 288799 (Minn. Dist. Ct.).

West St. Paul Federation of Teachers v. Independent School District No. 197, 2006 WL 997868 (Minn. app.).

¹⁹ Minnesota Statutes 179A.01 – 179A.30

²⁰ Minnesota Statutes 179A.16

²¹ Minnesota Statutes 179A.03, Subd. 19.

²² Minnesota Statutes 179A.16, Subd. 7.

arbitration proceeding in accordance with statutory requirements.²³ The instant arbitration proceeding is the means established by statute to resolve the disputed health insurance and other issues certified at impasse by the Commissioner, Bureau of Mediation Services.

Although Arbitrators give deference to outside market data to determine appropriate compensation rates, they are reluctant to disturb an employers benefit plan that has historically and uniformly been administered to all employees.²⁴ Uniformly administered benefit plans are important for a number of reasons. Among these is that it enhances the mobility of employees for advancement opportunities, creates a sense of equity among employees and provides economy and consistency in administration.

The record shows that prior to the instant dispute, the health insurance plan was uniformly administered for all Hubbard County Employees. The Arbitrator finds in favor of upholding the historic practice of a uniform health insurance plan for all Hubbard County Employees.

The Arbitrator is sympathetic to the issues that rapidly rising health care costs create for both employees and employers and the difficult choices necessary. It is a circumstance that most everyone is currently experiencing. The effort being made in Hubbard County by employees and administration to control costs and maintain benefit levels is typical of what is taking place in our economy.

AWARD

The existing CBA language in Article 14 shall remain in effect for the balance of calendar year 2006 (health insurance Schedule “B”).

Effective January 1, 2007 through December 31, 2008, the Deputy Unit shall be subject to the same health insurance plan and contribution rates as is uniformly established for all other Hubbard County employees (Schedule “A”).

Effective January 1, 2007 the Employer will contribute the following towards the Cafeteria Plan:

For employees choosing a single health plan coverage	\$557.50
For Employees choosing a single plus children plan	\$714.50
For Employees choosing a family health plan	\$987.50

²³ Minnesota Statutes 179A.20, Subd. 6.

²⁴ See How Arbitration Works, Elkouri & Elkouri, Sixth Edition, Chapter 22.9B, vi at page 1419:

“When an interest arbitration involves the subject of insurance, arbitrators generally agree that internal comparables are most germane.”

These amounts include two dollars (\$2.00) per month life insurance contribution.

For calendar years 2007 and 2008, the Employer will increase its contributions noted above based upon the increase in the various 500 CMM Plan premiums, up to and including fifteen percent (15%). This would be for the single, single plus children and family 500 CMM. All amounts will be rounded to the nearest half-dollar (1/2).

Coverage becomes effective the first month following 30 days of employment.

DISCUSSION, ISSUE #9 – ACCUMULATION OF COMPENSATORY TIME

The Union's position is to increase the amount of compensatory time that may be accumulated from the current eighty-hours (80) to one hundred twenty (120). The Union supports its case by pointing out that Beltrami County allows an accumulation of 240 hours.

The Employer's position is to retain the current contract language limiting the accumulation to eighty-hours (80). The Employer wants to keep the accumulation to eighty-hours (80) to maintain uniformity with the other bargaining units.

The Union survey of "All Comparable Counties" shows the maximum compensatory time accumulation of the eleven counties reporting ranges from 40 hours to 240 hours. Beltrami County appears to be an anomaly with an accumulation maximum twice as high as the next highest county. The average with Beltrami included is eighty-seven (87) hours. Without Beltrami the average is seventy-two (72) hours.

Based on the evidence and arguments of the Parties, the Arbitrator does not find any compelling evidence to support a change in the existing CBA language.

AWARD, ISSUE #9

There shall be no change in the existing language of Article 7, Section 7.1, B.

7.1, B. Employees shall be allowed to accumulate no more than eighty (80) hours of compensatory overtime. He/she shall be paid in cash for all hours over the eighty (80) hours maximum.

DISCUSSION, ISSUE #10 – COMPENSATORY TIME PAYOUT & CARRY OVER

The Union's position is to provide necessary "housekeeping" language needed if the Arbitrator awarded its position on issue #8.

The Arbitrator awarded no change in the existing language of Article 7.1, B. Therefore, the Union's proposed housekeeping change is not necessary.

AWARD, ISSUE #10

There shall be no change in the existing CBA language of Article 7, Section 7.1, C.

7.1, C Any hours accumulated over twenty (20) hours may be paid in cash on December 1st at the employee's option upon written notification by November 15th. Any unused compensatory time on December 31st shall carry over to the following year. Subject to the eighty (80) hour maximum noted in 7.1, B above.

DISCUSSION, ISSUE #11 – OVERTIME DISTRIBUTION

The Union position is to give full-time employees first choice to all overtime. The existing CBA language gives full-time employees first choice to overtime, "scheduled within three (3) days except when covering shifts for vacation, holiday, or compensatory time."

The Union supports its position by pointing out that the CBA covering the Highway Unit (IUOE #49) gives employees first choice unless impractical or unreasonable. The Union describes the three (3) day limit as nonsensical and argues that it should be eliminated.

Chief Deputy Sheriff, Frank Homer, testified that under existing CBA language full-time Deputies have first choice of overtime, but anything over seventy-two (72) hours goes to part-time employees.

Homer testified that the Union's position would create scheduling difficulties. He used the example that if a Deputy were on vacation for seven days, they would need to find an available full-time Deputy for all of these seven days. Homer testified that most Deputies want to be off when they are scheduled to be off.

Homer testified that the Union's position also has financial implications for more overtime would be necessary. Homer testified that, even under existing language, they are now four (4) percent over budget.

Homer's testimony alludes to the complications inherent with seven-day twenty-four hour scheduling and the compounding effect on overtime created when full-time employees work overtime.

The Arbitrator finds the Employer's position to retain existing CBA language most compelling.

AWARD, ISSUE #11

There shall be no change in the existing CBA language in Article 7, Section 7.2

7.2 Overtime will be distributed as equally as practicable. Full-time employees covered by this Agreement shall have first choice for all overtime scheduled within three (3) days except when covering shifts for vacation, holiday or compensatory time. Overtime refused by an employee will, for record purposes, be considered as unpaid overtime worked. For the purpose of computing overtime compensation, overtime hours worked shall not be pyramided, compounded or paid twice for the same hours worked. Overtime shall be calculated to the nearest fifteen (15) minutes. Overtime shall be worked only with the expressed authorization of the Employer.

DISCUSSION, ISSUE #12 – SEVERANCE PAY

The Union position is to eliminate existing CBA language in Article 15.1, B that requires an employee to have an accumulation of at least sixty-days (480 hours) of sick leave to be eligible for severance pay. The Union argues that this provision is out of sync with other comparable counties, none of which have such requirement.

The Union argues that the Employer submitted no evidence that prove sick leave abuse is an issue with the Deputy Unit. The Union further argues that an employee who suffers a catastrophic health event is actually punished by the existing provision – the employee did not abuse his/her sick leave, yet would not receive any severance.

Union Business Agent, Joanne Derby, testified that a modification to the sixty-day requirement was negotiated into the 2006 –2008 Social Service Unit CBA. Derby testified that while negotiations were in mediation the Parties agreed to reduce the sixty-day (60) requirement to thirty days (30). Derby testified that this issue was not tied to the Social Service Units acceptance of the new health plan.

County Coordinator, Jack Paul, testified that the CBA language at issue is of long-standing and it rewards employees who use their sick leave benefit as intended. Paul testified that Hubbard County's severance pay is more liberal than most other counties. Paul testified that most other counties have a lower limit on the number of hours employees can collect as severance.

Paul testified that the Employer agreed to reduce the number of sick leave hours needed to qualify for severance pay to thirty (30) with the Social Service Unit in consideration of the Social Service Units acceptance of the new health insurance plan.

The Employer argues that, except for the Social Service Unit, the sixty-day requirement applies to all other Hubbard County employees. The Employer further argues that to take away the sixty-day minimum requirement and yet keep in place the high severance payout would not be comparable to any other counties and would be inconsistent with the internal administration of severance pay.

The Arbitrator finds insufficient data in the record to draw any meaningful conclusion of how Hubbard County's severance benefit compares to other adjacent or comparable counties. The Unions exhibit of "All Comparable Counties" shows the prevailing practice is to not have a minimum sick leave accumulation requirement. However, there is no information as to whether these counties pay severance or, if so, how much. The Employer contends that Hubbard County's severance pay benefits is more liberal than that of other counties, but there is no evidence as to how it compares.

The Arbitrator finds most compelling the Employer's reason for agreeing to lower the sick leave hours required for severance eligibility in the Social Service Unit CBA. Although the Employer's stated reason for agreeing to the thirty-day requirement differs from Business Agent Derby's version, it is understandable that the Parties could have agreed to the change for different reasons.

The Arbitrator finds that awarding the new health plan in the instant case and also awarding the same reduction in accumulated sick leave hours as the Parties negotiated into the Social Service Unit CBA is consistent and equitable.

AWARD, ISSUE #12

Article 16, Section 16.1, B, to be effective 1/1/2007, shall read as follows:

16.1, B. The employee, to be eligible for provisions of this section, shall have an accumulation of at least thirty (30) days (240) hours sick leave.

DISCUSSION, ISSUES #13, 14 & 15 – EQUIPMENT & MAINTENANCE ALLOWANCE – 2006, 2007 & 2008

The Union position is to increase the equipment and maintenance allowance from the existing rate of \$130 for full-time employees to \$150 in 2006 and to \$250 in 2008 (prorated for part-time employees). The Union argues that the most compelling reason to raise the allowance is that it has not been raised since 1999 and prices have undoubtedly risen in this time period.

The Employer argues that this is a non-issue because the County issues and replaces the uniform and equipment items employees wear and use. County Coordinator, Jack Paul, testified that the uniform and equipment provided employees is replaced if damaged in the line of duty, due to weight gain/loss and due to normal wear. Paul testified that in his

survey of other counties, he found that most employees have to purchase, from their uniform allowance, the items employees are furnished by Hubbard County. The Employer introduced a document showing the uniform and equipment items issued to employees that includes uniforms, insignia, manuals, Identification, and related items.²⁵

The Union introduced a survey of “All Comparable Counties” showing the Uniform/Maintenance Allowance” provided by these counties for Jailers/Dispatchers.²⁶ The survey shows allowances ranging from none to \$600.

The Arbitrator finds the comparative data from other counties to be less than instructive, as it does not sufficiently identify what items the Employer provides and what items employees are required to purchase out of their allowance. It would appear from a review of the survey that some counties, such as Aitkin and Sibley, like Hubbard, provide most, if not all, items, as there is no allowance or a very small allowance.

The Union introduced an equipment catalog²⁷ showing prices of equipment items available for purchase. Although there was no testimony regarding what Jailer/Dispatchers would purchase with their “Equipment and Maintenance Allowance,” it presumably would be shoes and gloves, as these do not appear on the list of items furnished by the Employer.

The Employer points out that the Union’s Exhibit of “Uniform/Maintenance Allowance in All Comparative Counties” is not relevant because Hubbard County provides employees with uniforms and other equipment without charge. The Employer points out that employees in most other counties are required to purchase, out of their uniform/maintenance allowance, most of the items Hubbard County provides its employees without charge.

It would be logical to assume that the allowance established through negotiations in 1999 was based on what the Parties agreed, at that time, was a reasonable amount to purchase needed items not furnished by the Employer. It would also seem logical to assume that the reason the allowance has not been raised since 1999 is that the Parties have either not sought to increase the allowance or have not been in agreement on raising the allowance.

The most recent CBA negotiated by the Parties was executed in April 2004, approximately two and one half (2 1/2) years ago. Generally, prices have increased about three (3) percent per year or seven and one half (7 1/2) percent during this period.

The Arbitrator finds that an increase in the allowance comparable to the general increase in prices is reasonable.

AWARD, ISSUES #13, 14 & 15.

²⁵ Employer Exhibit #4.

²⁶ Union Exhibit under tab #12.

²⁷ Union Exhibit – tab #13.

Article 18, Section 18.1 shall read as follows for 2006.

18.1 Effective 1/1/06, the Employer shall provide an annual equipment and maintenance allowance of one hundred forty dollars (\$140) to all full-time bargaining unit employees; those less than full-time shall be pro-rated each December 1st for their prior twelve (12) month full-time employee equivalent.

Article 18, Section 18.1 shall be amended effective January 1, 2007 as follows:

The one hundred forty dollar allowance (\$140) shall be increase to two one hundred forty four (\$144).

Article 18, Section 18.1 shall be amended effective January 1, 2008 as follows:

The one hundred forty four dollar (\$144) allowance shall be increased to one hundred forty eight dollars (\$148).

DISCUSSION, ISSUE #16 – PERSONAL LEAVE DAY

The Union position is to add a provision to the CBA providing for one (1) “Personal Leave Day each year for regular employees. The Union supports its position with the argument that other Hubbard County employees get it and it is a simple matter of fairness.

County Coordinator, Jack Paul, testified that Deputies already have one additional leave day when compared to other Hubbard County bargaining units. The Employer argues that to grant an additional leave day to Deputies would give them two days more than what any other employee of Hubbard County currently receives.

The Union counter argues that the Deputies do not get two more days off than do other Hubbard County employees – the CBA’s clearly show that the Deputies receive the same number of days.

The Arbitrator finds that there is not sufficient evidence in the record to make a finding of fact on this issue. The record only contains conflicting argument over whether the Deputies do, or do not, already have an additional leave day than do other Hubbard County Employees.

AWARD, ISSUE #16

There shall be no change in the existing CBA regarding leave days.

CONCLUSION

The Parties are commended on the professional and thorough manner with which they presented their cases. It has been a pleasure to be of assistance in resolving the disputed issues.

Issued the 8th day of October 2006 at Edina, Minnesota.

ROLLAND C. TOENGES, ARBITRATOR